

FUND OBJECTIVE

To maximize capital growth over the medium to long-term through the stock market.

FUND DETAILS

Launch Date	20 October 2008	Domicile	Malaysia
Currency	Ringgit Malaysia	Launch Price	RM1.0000
Units in Circulation	23.64 million units (30 September 2019)	Fund Size	RM59.44 million (30 September 2019)
Unit NAV	RM2.5137 (30 September 2019)	Dealing	Daily (as per Bursa Malaysia trading day)
Fund Manager	Principal Asset Management Bhd	Benchmark	FBM100
Taxation	8% of annual investment income	Fees	Management Fee: 1.5% p.a.
Risk Profile	<p>Suitable for investors:</p> <ul style="list-style-type: none"> ▪ With a medium to long-term investment horizon ▪ Seek maximum capital appreciation ▪ Do not require regular income ▪ Comfortable with higher volatility ▪ Willing to take higher risk for potential higher gains 	Other Charges	Inclusive of auditor fee & transaction charge

ASSET ALLOCATION OF THE FUND

Equities	Cash
Minimum 80% - 98%	Up to 20%

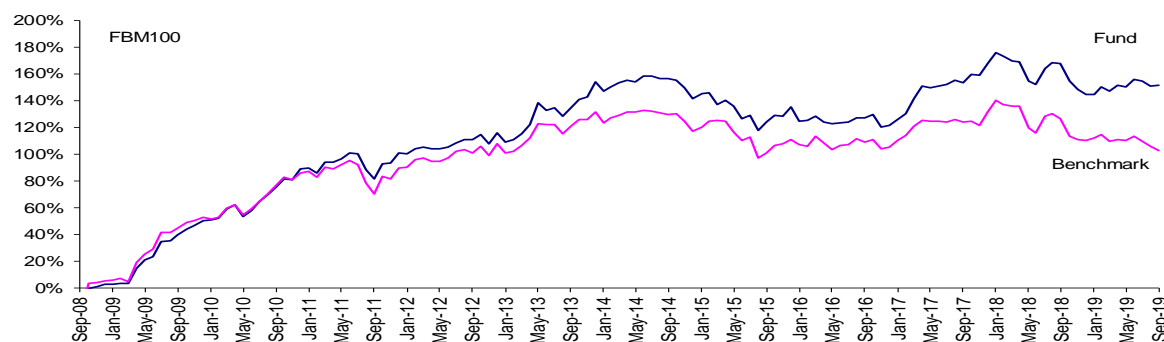
SECTOR ALLOCATION OF THE FUND

Financial Services	15.91%
Telecommunications & Media	9.07%
Utilities	9.05%
Consumer Products & Services	8.88%
Industrial Products & Services	8.43%
Health Care	6.25%
Transportation & Logistics	6.14%
Plantation	5.96%
Technology	4.93%
Energy	4.67%
Construction	3.95%
REIT	2.86%
Property	0.25%
Cash	13.65%
Total	100.00%

TOP HOLDINGS OF THE FUND (EQUITIES)

Tenaga Nasional Bhd	7.66%
Malayan Banking Bhd	5.66%
Petronas Chemicals Group Bhd	5.03%
Digi.com Bhd	4.10%
Malaysia Airports Holdings Bhd	3.00%
Dialog Group Bhd	2.99%
Axiata Group Bhd	2.98%
Public Bank Bhd - Local	2.81%
CIMB Group Holdings Bhd	2.65%
IHH Healthcare Bhd	2.54%
Total	39.42%

PERFORMANCE RECORD



%	YTD	1M	3M	6M	1-Year	3-Year	Since Inception
Fund*	2.89	0.32	-1.85	1.69	-6.09	10.67	151.37
Benchmark	-3.55	-1.37	-5.11	-3.24	-10.53	-3.07	102.75

* Calculation of past performance is based on NAV-to-NAV

Notice: Past performance of the fund is not an indication of its future performance which may differ. The fund performance is not guaranteed.

FUND MANAGER'S COMMENTS

Market review

In September, the fund rose 0.32%, outperforming its benchmark by 1.69%. Outperformance came mainly from the overweight in Oil and Gas and underweight in Financials. At the stock level, the overweight in Pentamaster, Dayang, Vitrox and Petronas Chemical were key contributors. Year-to-date, the fund is up 2.89%, outperforming its benchmark by 6.44%.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("KLCCI") declined 1.75% in Sep (YTD: -6.3%) to 1,584 which was in line with regional equity markets. Domestically, the breakdown in Axiata-Telenor merger talks was a dampener on the benchmark index. Top 3 contributors to the index decline include AXIATA (-14.9%), Digi (-5.4%) and Sime Plantation (-5.0%). The decline was moderated by gains in Petronas Chemical (+8.8%), MISC (+7.4%) and MAHB (+5.7%). By sectors, export-oriented sectors such as tech and glove have generally posted gains on the back of weaker MYR and seasonal uptick in volume loading for selected tech stocks. Besides these, oil & gas sector has also gained on the back of higher crude oil prices. As global PMI trend lower, prospect for Malaysia's external demand growth remain weak. With dampened consumer and business sentiment expected to prevail, we believe corporate earnings growth will remain weak due to slower private consumption and investment. All eyes will be on Budget 2020 which will be revealed by the government on 11 Oct. Although government's fiscal space is constrained, we expect the federal government to kick start infrastructure spending again to boost the economy. Investment decision may be made on mega projects such as MRT3 and PTMP. To balance the budget, the government may announce further asset monetization initiatives involving sale of non-strategic assets. While no new taxes are expected to be introduced, digital tax is expected to be implemented. There may also be concern that tax incentives for certain industries such as glove may be curtailed while sin tax hike on NFOs cannot be ruled out.

Portfolio Strategy

We maintain NEUTRAL on Malaysia while await policy clarity post Budget 2020 announcement. With expectation of further OPR cuts over the next 18 months, we continue to like the dividend investment theme, favoring high dividend yielders with earnings resilience. We also look to accumulate selective growth stocks on weakness within the utilities, telecommunication, oil and gas and construction sectors. Our thematic opportunistic trade in the glove and technology sectors has performed well, we are cognizant of diminishing returns and will look to sell into strength.

Source : *Principal Asset Management Bhd*

Date : *30 September 2019*

Disclaimer:

The benchmark performance is not a guide to future performances which may differ. The performance of the fund is not guaranteed. The value of the fund will fluctuate and may fall below the amount of premiums paid and the fund value depends on the actual performance of the underlying investment. This material is for information purposes only and is subject to change at any time without notice. Sun Life Malaysia does not guarantee its accuracy, completeness, correctness or timeliness for any purpose or reason. This information should not be considered as advice or recommendation in relation to your account or particular investment objectives, financial situation or needs. You may not revise, transform, or build upon this material without prior written consent of Sun Life Malaysia. Before acting on any information you should seek independent financial advice.